

Financial Markets Review

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Negative trend on the stock markets, impacted by fears of a slowdown in economic growth

Significant rise for Snam shares

Oil prices closed down

Snam S.p.A. Investor Relations

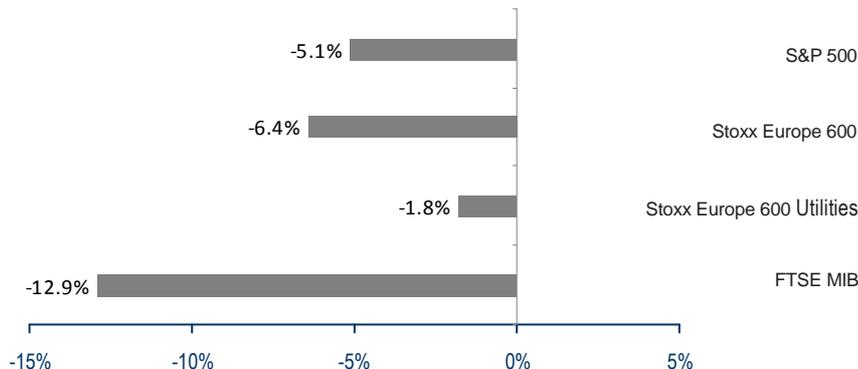
The financial markets

January registered a general decrease across stock markets, with falls of -5.1% on the US S&P 500, -6.4% on the European Stoxx 600, -12.9% on the Italian FTSE MIB and -1.8% on the Stoxx Europe 600 Utilities index. Stock markets were weighed down by signs of a slowdown in economic growth at a global level as well as by new declines in crude oil prices.

As regards the macroeconomic data, the United States (December figures on a monthly basis) recorded a decrease in the orders of durable goods (-5.1%), industrial production (-0.4%) and retail sales (-0.1%); the increase in US GDP in the fourth quarter of 2015 was less than expected (+0.7% instead of +0.8%, on a quarterly annualised basis).

In the Eurozone (November figures, on a monthly basis), industrial production was down on an aggregate level (-0.7%), as well as in Germany (-0.3%) and Italy (-0.5%). The German IFO index also fell (107.3 points in January from the 108.7 of the previous month). The ECB has confirmed the

Performance of the main stock indices, January 2016



Source: Snam on the Bloomberg data

reference interest rate at the current level (0.05%).

The International Monetary Fund has revised downward the growth forecasts for the global economy for 2016 and 2017 to +3.4% and +3.6% respectively (-0.2% from the previous estimates in October); in the United States the forecasts are for +2.6% growth for both years; +1.7% for both 2016 and 2017 in the

Eurozone, and +1.3% and +1.2% respectively in Italy.

The oil markets

Oil prices continued to fall in January, both the US crude oil WTI (-9.2%, closing the month at \$33.6/barrel) and Brent (-7.1% at \$33.2/barrel). Despite a recovery at the end

of the month due to potential production cuts by Russia and OPEC countries and the forecasts of a decrease in US shale oil production, crude oil prices have been impacted by

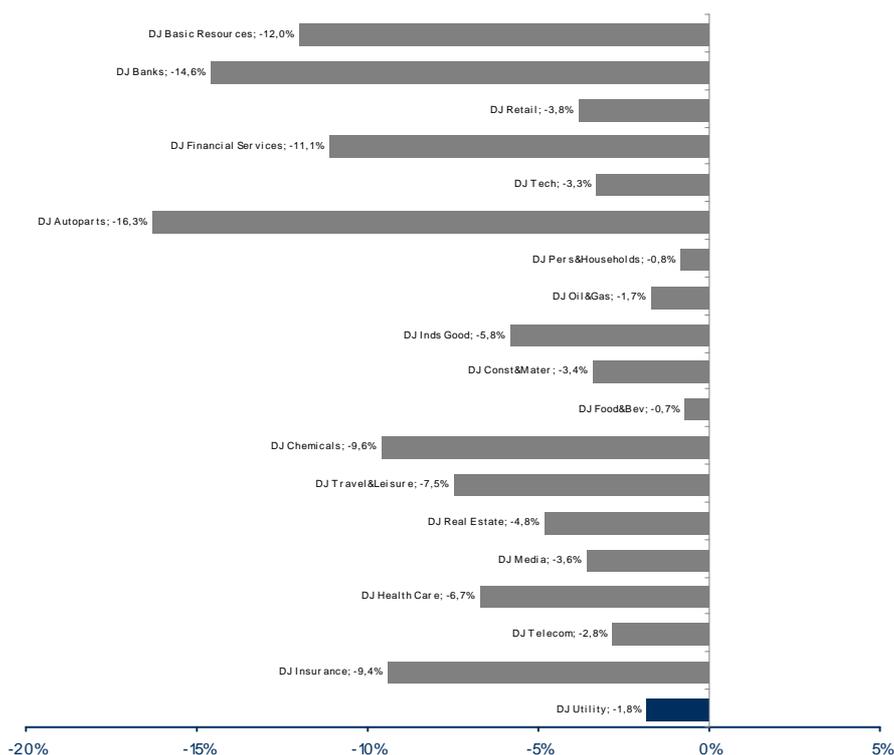
the prospects of Iranian oil exports making a swift return to the markets, following the lifting of international sanctions.

Sectors in the Stock markets

In line with Stock markets, January registered a negative trend in all sectors.

The sharpest drops were seen by the auto sector (-16,3%), in part due to Renault's potential involvement in the emissions scandal, and by the banking sector (-14.6%), following fears that European watchdogs would request new reserves and the treatment of non performing loans at Italian banks. A sharp decrease was also recorded in the raw materials sector (-12.0%), given the ongoing weak demand from China, and in the financial services sector (-11.1%), which was penalised by increased stock market volatility.

Main sector performance, January 2016

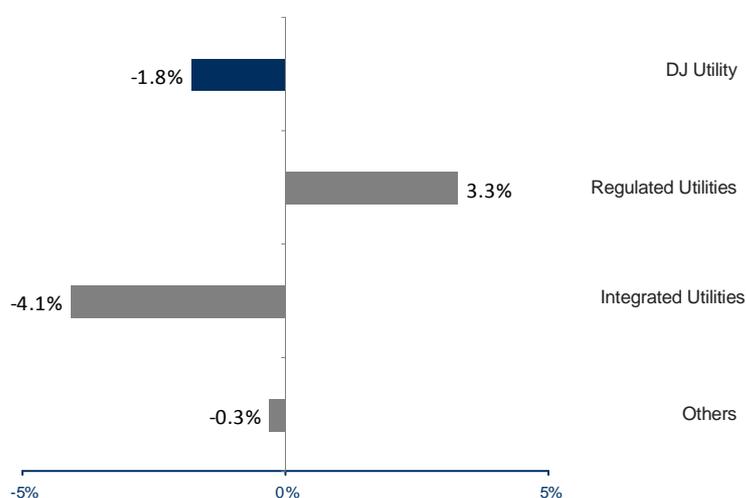


Source: Snam on the Bloomberg data

The Utility sector performance

In January, the utility sector recorded a negative performance (-1.8%), mainly due to the decrease recorded by the integrated companies subsector (-4.1%), affected in particular by the negative performance at EdF (-11.3%), which was hit by non-compressible costs of producing power from nuclear plants and by tariff deregulation. A negative performance was also recorded by most of the other integrated utilities, which are exposed to low power prices at a European level. Negative figures were also recorded by the "Others" subsector, albeit a more contained fall (-0.3%). In contrast, the subsector of regulated utilities, boosted in particular by Snam (+6.9%), National Grid (+5.2%) and Terna (+3.7%), recorded a positive performance, thanks to its defensive profile and dividend visibility in a period of high volatility on the financial markets.

Sector and subsector performance, January 2016



Source: JP Morgan

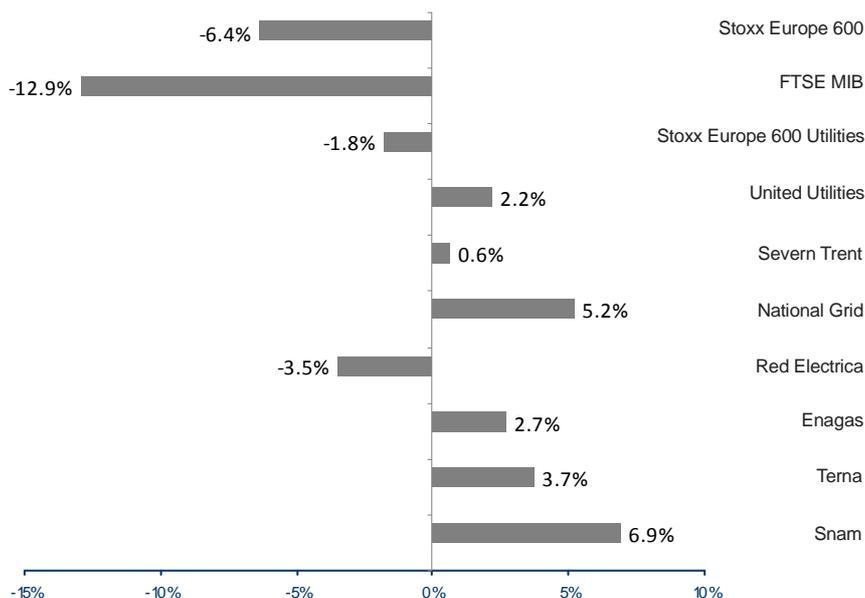
The Snam shares and its peers in the Stock markets

Snam's shares closed January up 6.9% at €5.17 per share (all-time high), against the negative trend on the sector index and, in particular, on the Italian stock exchange.

The share's over-performance was helped by its defensive features with a high dividend yield.

The average volume of daily trade of the stock was 15.5 million shares, down from the previous month's (17.5 million shares), which was supported by the conversion of Eni's exchangeable bond.

Snam and its peers, January 2016



Source: Snam on the Bloomberg data

Agenda

March

17/18 Consolidated financial statement and draft financial statements at December 31, 2015. Dividend proposal for 2015. Report by the BoD to the Shareholders' Meeting for the renewal of Company offices. Report on Remuneration 2016. Report on corporate governance and ownership structure 2015. Sustainability Report 2015. Call of Shareholders' Meeting. Strategic Plan 2016-2019.

Corporate News

Marco Alverà Chief Operating Officer

On January 8 BoD of Snam, under the chairmanship of Lorenzo Bini Smaghi, has on the proposal of the CEO and in agreement with the Chairman, appointed Marco Alverà as Chief Operating Officer. Alverà, who will report to the CEO, integrating the necessary corporate functions, will oversee the promotion and reinforcement of the Group's growth by supporting the strategic development of Snam on the international and domestic natural gas market. A graduate in Philosophy and Economics from the London School of Economics, Alverà has considerable experience in the natural gas business and, more generally, in the energy sector. He has held positions of increasing responsibility first at Enel, where he followed the development of the gas business of the company and the IPO of Terna, and at Eni, where he managed the most important domestic and international matters in the natural gas business.

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Snam: "Tso of the year" at European Gas Conference

On January 21 Snam has been awarded as "Transmission System Operator of the Year" at the 9th European Gas Conference in Vienna. The event, which saw the participation of Snam CEO Carlo Malacarne, brought together more than 500 delegates, among whom the CEO of Austrian company OMV Rainer Seele and the Chairman of Gazprom Viktor Zubkov.

Out of 6 European TSOs nominated, the prize has been awarded to Snam in the light of its projects of gas transportation aimed at increasing the interconnection of European networks. This achievement further confirms the progress in the Company's international development strategy, aimed at enhancing Snam's presence along the main European energy corridors and contributing to creating a common energy market to increase security of supply and diversification of sources.

Acquisition of the 20% of Tap

On December 17 Snam has completed the acquisition of the 20% interest held by Statoil Holding Netherlands B.V. in the Trans Adriatic Pipeline AG (TAP), for an amount of Euro 130 million.

As a result of the transaction, Snam also replaces Statoil in the shareholders' loan currently granted to TAP for a nominal amount of Euro 78 million and takes over all of Statoil's rights and obligations related to the development of the project, including the appointment of 2 Snam executives in the board of directors of TAP.

The closing of the transaction – which follows the exclusivity undertaking – was preceded by a meeting in Oslo between Snam CEO Carlo Malacarne and Statoil President and CEO Eldar Sætre, which led to the signing of the share purchase agreement.